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C O N F I D E N T I A L SECTION 01 OF 05 BRASILIA 001447

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DEPARTMENT FOR WHA  
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AMEMBASSY BRIDGETOWN PASS TO AMEMBASSY GRENADA  
AMEMBASSY OTTAWA PASS TO AMCONSUL QUEBEC

E.O. 12958: DECL: 2019/12/29

TAGS: [PREL](#) [BR](#)

SUBJECT: WHA A/S VALENZUELA RECEIVED BY EAGER BRAZILIAN GOVERNMENT

CLASSIFIED BY: Lisa Kubiske, charge d'affaires a.i.; REASON: 1.4(D)

11. (C) Summary. On his first visit to Brazil as Assistant Secretary, Arturo Valenzuela was received December 14 by senior government officials eager to minimize differences and demonstrate their interest in working with the USG on a range of topics. Meetings with the Presidential Foreign Policy Advisor, Foreign Ministry (Itamaraty) officials, and Defense Minister addressed shared concerns with resolving the crisis in Honduras, the need to lower tensions in South America (particularly between Colombia and Venezuela), interest in working together in Haiti, and possibilities for counternarcotics cooperation in Bolivia. Whereas the Presidency highlighted Lula's efforts related to Iran and the Middle East peace process, Itamaraty focused on the need to expand our bilateral, regional, and trilateral cooperation, as well as our discussions on global issues into new areas. The worried media reports highlighting "tensions" in the U.S.-Brazil relationship prior to A/S Valenzuela's arrival were replaced following his visit with upbeat stories regarding the renewed possibilities for cooperation. End summary.

Presidential Foreign Policy Advisor Garcia Focuses on Honduras...

12. (C) In a long and friendly meeting, Presidential Foreign Policy Advisor Marco Aurelio Garcia laid out Brazil's position and ongoing concerns regarding Honduras. He said President Zelaya's decision to go abroad had given Brazil greater "flexibility" in dealing with the crisis. Brazil believes it is essential for de facto leader Micheletti to step down, and Garcia expressed his hopes that the USG would "turn the screws" on him. Personally, Garcia said he thought a constituent assembly would be a way to give legitimacy to the political solution being crafted.

13. (C) A/S Valenzuela disagreed with Garcia's assertion that the Honduras crisis had created "a division" between the United States and Latin America. Rather, he said the failed effort by Mexico to gain safe passage for Zelaya out of the country, of which the USG had not been informed and which had negatively affected other efforts on Zelaya's behalf, demonstrated the need for more fluid communication. In later discussions at Itamaraty, Honduras was also a leading topic of conversation. There, officials insisted that they had no contact with the Micheletti regime and that their ability to influence Zelaya was limited.

...Proposes U.S. Visit to Venezuela...

¶4. (C) Garcia made a point to reiterate a suggestion he had made to NSA General Jones, that Valenzuela should go to Caracas to establish a "direct link" and relationship with President Chavez. Without such a move, Garcia said, "Chavez will respond to everyone" (i.e., to USG officials whatever their position); "he has no sense of proportion." Garcia said that, because of "ambiguity" and "a bad process," the issue of the Colombia bases had complicated matters in the region. Although the November 27 meeting of the South American Defense Council (SADC) had reduced tensions, the idea that the bases might be used to launch an action against Venezuela "was common." Neither Colombia nor Venezuela was willing to make a goodwill gesture toward the other, and Brazil's efforts to mediate had been rebuffed by both sides. He predicted that Venezuela "will maintain the pressure" on Colombia for several months. Venezuelan FM Maduro had indicated to Garcia that a visit by A/S Valenzuela would be "no problem" to arrange; Garcia felt it would help reduce tensions and improve dialogue with the region. A/S Valenzuela was noncommittal, and noted that it is difficult to ignore both the provocative statements by Chavez and his authoritarian tendencies.

...Assesses Regional Developments...

¶5. (C) Over the course of the conversation, Garcia expressed a

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preference for former President Frei in Chile's elections; described Ecuador's and Bolivia's political systems as "rotten"; said that Mujica's election in Uruguay was good as he would be "more active"; and called the future of Argentina "a big question mark," depending on whether the Kirchners recover or not, although he did not foresee problems for relations with Brazil. Garcia hoped to "revive Mercosur" during the upcoming Argentine presidency. With regard to relations with the United States, Garcia noted that the "delay" in USG initiatives toward the region caused frustration and disappointment.

... And Indicates Middle East Peace and Iran Top Brazil's Global Agenda

¶6. (C) Beyond Latin America, Garcia described Brazil's priorities as climate change and expanding participation in the Middle East peace process "to put more air" into them. Brazil is concerned with the success of the Israel-Palestine peace process both because of the impact on its own global interests and because it "contaminates" other issues in the region-including Iran, Afghanistan, and Pakistan. Garcia said Brazil has encouraged Iran to use its influence with Hamas to help move the process forward. With regard to Iran itself, Garcia described Brazil's engagement as "a bet" that might not work. In light of President Obama's request to help, Brazil is trying to build a relationship with Iran. He described Brazil's reception of President Ahmadinejad in November as "not warm" and stressed that President Lula had delivered "direct messages." Brazil is encouraging Iran to "submit to the rules," regarding non-proliferation, but Brazil had abstained on the recent IAEA vote on Iran as because of the timing; a vote in favor at that moment would have neutralized their efforts to sway Iran. In Brazil's view, the worst thing to do is to further isolate Iran. A/S Valenzuela welcomed Brazil's efforts to encourage Iran to comply with its international obligations but expressed serious concerns with their nuclear aspirations. He emphasized that Iran had a deficit of trust with the international community but assured Garcia that the Administration would continue to try to engage Iran, despite the difficulties.

Itamaraty: Eager to Move Forward Bilaterally...

17. (C) Over lunch with Under Secretary for Political Affairs Vera Machado and acting Under Secretary for Latin America GonC'alo MourC#o, and in a separate meeting with newly installed Deputy Minister and former ambassador to the United States AntC4nio Patriota, Brazilian officials stressed the need to move forward in expanding our bilateral relationship. Patriota cited the high-level dialogue we are hoping to start and said the GOB is glad there is a broadening of the bilateral political agenda to match the excellent dialogue on the economic side. With regard to current cooperation, he praised the Economic Policy Dialogue, under way at the same time in Washington, and said that Civilian Household (Prime) Minister Dilma Rousseff wants to see more bilateral cooperation on biofuels. He highlighted the success of the Joint Action Plan to eliminate racial and ethnic discrimination (JAPER) and suggested creating linkages with the CEO Forum. Both he and Machado said Brazil has much to learn from the United States regarding inclusion of civil society and the private sector in such initiatives. Patriota noted the meeting of the Brazil Studies Association (BRASA) next year as a good opportunity to do some cross-fertilization between private sector and social initiatives. Patriota hoped we could increase discussions on other social issues, including human rights and advancement of women.

18. (C) Patriota and Machado both expressed interest in moving forward with the Defense Cooperation Agreement (DCA) and asked for serious consideration of language Brazil had just proposed on "guarantees" of respect for sovereignty of third countries, which Brazil was seeking to add in light of concerns over the U.S.-Colombia DCA and commitments made at the November 27 meeting of the South America Defense Council.

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19. (C) Although even the suggestion of work on terrorism-related programs has caused problems in Brazil for some USG agencies, Machado acknowledged that Brazil would need to address potential terrorism issues with Brazil's hosting of the 2014 World Cup and the 2016 Olympics. A/S Valenzuela said the USG is willing to cooperate and assist in any way we can and he suggested that State and Itamaraty should increase our effort to coordinate cooperation among our various agencies in advance of these events. ChargC) d'Affaires Kubiske noted that the Olympics also open an avenue for cooperation to advance social issues, for example, by ensuring that efforts are made to secure English training and jobs for minorities and the poor.

...Regionally...

110. (C) A/S Valenzuela stressed that Secretary Clinton is committed to working closely and more intently on Haiti. The United States can benefit from Brazil's expertise in Haiti and the region, he said. Acting U/S MourC#o said Brazil's focus in Haiti is on policing, as it is important to strengthen Haiti's law enforcement capabilities. Patriota noted the efforts of USAID and Brazil's Cooperation Agency (ABC) to establish joint projects. He recalled that, in the second paragraph of President Lula's letter to President Obama last month, he had mentioned the priority of constructing a hydroelectric dam and plant. Although the letter had suggested a cost of \$150 million to build, Patriota believed it would actually cost \$250 million. He felt this would be an important project for the United States and Brazil to work on jointly.

111. (C) During lunch, Machado asked if Bolivia might be

re-certified next year for counternarcotics cooperation. A/S Valenzuela noted some very strong U.S. opposition to this, but said that strong communication with the Morales government is essential and suggested that there is now an opportunity for trilateral cooperation on counternarcotics. Machado raised the 3+1 Security Dialogue between Brazil, Argentina, Paraguay, and the United States, saying the name of the talks should be changed to avoid a sense of opposition.

...And Globally

¶12. (C) Patriota indicated Brazil's interest in expanding "trilateral cooperation" between Brazil, the United States, and third countries as a particularly valuable form of engagement, particularly in Africa. As Brazil is entering the Security Council in January, the GOB wants to coordinate agendas with the USG and engage more on Security Council reform. Looking ahead to the NPT Review Conference and Nuclear Security Summit, Patriota described President Obama's speech in Prague on nuclear non-proliferation and disarmament as "groundbreaking" and said it was very well received in Brazil. For her part, Machado praised the U.S. announcement of voluntary measures related to climate change, which had inspired "moderate enthusiasm" and preserved the possibility for "non-failure" at Copenhagen. She highlighted agreement for Brazil to host a "Rio + 20" next year, which would allow for more comprehensive debate.

Defense Minister Jobim Describes Brazil's Concern with Regional Stability...

¶13. (C) Following a one-on-one meeting, a friendly and engaged DefMin Jobim was joined by senior military personnel for a broad discussion of regional issues. Jobim raised the U.S.-Colombia DCA, saying that, from a strictly Brazilian point of view, there was no problem. The region was "sensitive," however, and as Brazil has no

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problems with any of its neighbors, it tries to be a "moderator" among them. Jobim had made an enormous effort, along with Itamaraty and President Lula, to visit all South American countries to gain agreement to establish the South American Defense Council, which would help create a regional identity on defense issues, advance "military diplomacy," link defense to the real economy by establishing niches for each country in defense industries, and encourage exchanges among military academies.

¶14. (C) Noting our common concern with stability in the region, A/S Valenzuela asked how Jobim viewed the situation between Colombia and Venezuela and the situation in Paraguay. Jobim said that he did not see the tensions escalating, but that Lula's efforts to mediate a discussion between Chavez and Uribe had not been successful. With regard to Paraguay, he said that for political reasons Brazil had made concessions on the price it was paying for energy from Itaipu and would finance the construction of a transmission facility on the Paraguayan side of the border. "This is part of the game" with Paraguay, he said. Jobim encouraged A/S Valenzuela to continue this dialogue on regional stability. He said the United States needs to be "re-introduced" to Latin America; although it might be a false impression, there is a feeling in the region that the United States needs to build more trust following a "difficult era" in the Bush Administration.

...And Provides an Update on FX2 Fighter Competition

¶15. (C) Jobim noted that delay in a decision on the FX2 fighter competition, saying that he would be studying documents from the Brazilian Air Force (BRAf) over the holidays and that the National Defense Council would meet to make its recommendation after congress reconvenes in early February. He was awaiting additional documentation from Boeing later in the week and was particularly intrigued by the possibilities of the Global Super Hornet program. Jobim noted the importance of the purchase in Brazil's national defense strategy, adding that technology transfer is the main consideration and the U.S. "precedents" on this score are not good; but he acknowledged that the portfolio of transfer items was large and that it was a new U.S. government. Jobim reiterated the five criteria they will be using to make a decision: the quality of the platform, the technology being offered, the training being offered, the price, and the life-cycle cost. A/S Valenzuela assured him the Boeing was best on all counts.

#### Political Analysts See Less Aggressive Foreign Policy Post-Lula

¶16. (U) Three leading political analysts told A/S Valenzuela that Dilma Rousseff, President Lula's choice to succeed him in 2011, has at least a break-even chance of winning the October 2010 elections, despite Serra's lead in the polls. They expect that many of the GOB's current foreign policy positions - including on Iran and Honduras - are facilitated by Lula's strong internal position and personal reputation, and will not outlast his presidency. They described in detail the failure of the delegation of Iranian businessmen that accompanied Ahmadinejad, and argued that attempts by Rousseff or anyone other than Lula to engage authoritarian states in such a high-profile manner would not be tolerated domestically, as it is seen as a departure from Brazil's traditionally cautious approach to such matters. A Serra presidency, they believed, would not alter Brazil's basic economic strategy but would lead to a return to more traditional Brazilian foreign policy stances, especially in Latin America.

#### Media Coverage Goes From Nervous and Negative to Hopeful and Positive

¶17. (SBU) In advance of A/S Valenzuela's trip, media coverage focused on "tensions" in the bilateral relationship, highlighting

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differences over Honduras, Iran, climate change, and non-proliferation. However, following a press roundtable by A/S Valenzuela with leading news dailies and weeklies and comments to the press by both Garcia and Itamaraty officials, press reports on Tuesday, December 15 highlighted apparent points of agreement on Honduras and Iran. BrasC-lia daily Correio Braziliense ran one of the most powerful headlines: "Disagreements Between Good Allies." These reports were reinforced by equally positive headlines in online coverage from major news portals such as UOL and Terra.

¶18. (U) Although articles began to reappear within days reporting views from both Washington and BrasC-lia that tensions persist in the bilateral relationship, prominent columnists have supported the conclusion that Valenzuela's visit put the U.S.-Brazil relationship on a new footing. One of the more forceful columns came from Folha de SC#o Paulo's Eliane Catanhede, who highlighted the contrast between the prior expressions of "frustration" and "disappointment" from Amorim and Garcia, and the much more friendly remarks they made during his visit. Her conclusion was that the GOB knows who is really in charge on issues such as Honduras, Iran, and Copenhagen: "This is how diplomacy is done: Valenzuela was in

BrasC-lia yesterday; Secretary Hillary Clinton is on her way; Obama should be here early in 2010. Deep down, Lula, Amorim, Jobim, Garcia, and [former Itamaraty Secretary General; current Minister of Strategic Planning] Samuel [Pinheiro Guimaraes] may bark, but they never bite. And the 'pitbull' [the United States] knows its own strength."

#### Youth Ambassadors Meeting Opens the Door for New Media Outreach

¶19. (U) A/S Valenzuela met with alumni of the Youth Ambassadors, Student Leader Exchange, and English Immersion programs in an informal gathering hosted by CDA Kubiske. Valenzuela explained his role in over-seeing policy for the Western Hemisphere and fielded questions from the young leaders on issues ranging from the value of youth exchange programs, to the Obama administration's approach to U.S.-Brazil relations and the best way to work with the various types of democratic systems found in the region. "I think it was a great opportunity to meet Dr. Valenzuela and discuss Brazil-U.S relations...it's interesting to see how diplomacy engages youth," said 2008 Youth Ambassador, Pedro Henrique Torres after his discussion with the Assistant Secretary. The Public Affairs Section posted photos of the meeting on the Mission's Flickr site that were also carried on the Assistant Secretary's newly launched blog. PA recorded the event and will create short clips to post on the Mission's YouTube channel and to distribute to youth contacts.

¶20. (U) A/S Valenzuela cleared this message.  
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